

Dermatology Coding Alert

Billing: Get Comfortable with Unruly Consolidated Billing Rules

Uncover who, what, and when to bill so you get your money.

Knowing whether your skilled nursing facility (SNF) patient is a resident in a Part A or Part B stay is vital to your billing. Knowing the consolidated billing guidelines will shine the light on why that's important to your bottom line.

Follow these three steps to know what path to take to seek reimbursement.

1. Study What Consolidated Billing Means

Before you can start billing for services your physician performs for nursing facility patients, you need to figure out what consolidated billing really is and why it matters to your billing process.

How it works: "Under consolidated billing, an SNF receives a basic per diem rate per level of care for each resident which covers all costs (routine, ancillary and capital) related to the services furnished to beneficiaries," says **Linda Smith, CPC, CPC-1, CEMC, CMSCS, CMBS**, owner of MedOffice Resources in Greene, N.Y. "The bundled services are billed by the SNF to Part A MAC in a consolidated bill."

An SNF bills Medicare for services provided to resident patients. But Medicare excludes some categories of services from consolidated billing because they are costly or require specialization. So in order for your practice to be reimbursed for any of the excluded services, you can contact Medicare Part B directly but for any services included in SNF consolidated billing your practice has to work with the facility.

"Medicare pays a lump sum to the nursing facility for all facility-type services the patient may need while admitted to the nursing facility in a Part A stay," says **Joan Gilhooly, MBA, CPC, CPCO**, president and consultant for Medical Business Resources, LLC in Lebanon, Ohio. "Facility-type services also include things like medications, billable supplies, DME, lab tests, the technical component of diagnostic tests like x-rays, etc."

What it means to you: If the patient is currently in the nursing facility covered under a Medicare Part A stay, your physician can only bill Medicare for his professional services. You must then bill the nursing facility for any technical or "facility" services he performs during the office visit. This includes supplies as well.

2. Confirm Patient Status

To properly bill and collect for nursing facility patient services you should contact the facility to confirm whether the patient is in a Part A or Part B stay. If he is not covered by Part A, you may bill your Part B carrier for all the services you provide.

Experts suggest that practices contact the nursing facility on the day of the appointment to confirm whether the patient is in a Part A or Part B stay rather than wait until the biller starts the claims process.

Other actions that practices should perform, according to Smith, are:

- Educate patients, their families, and staff at local SNFs about the need to inform the practice about the patient's status when making an appointment.
- Confirm the patient's status as a SNF resident at the time the appointment is scheduled.
- If SNF status was not confirmed at time of appointment, call the SNF prior to rendering services to verify that the patient is truly considered an SNF resident and to let them know what services the practice will be providing.
- Alert the SNF to charges for services included in consolidated billing before the services are provided.

- Make sure that the practice has established an agreement or contract with the local SNF to establish a reimbursement process for services included in consolidated billing.

Warning: There is no way to guess if a patient is in a Part A or Part B stay. Whether a patient is in a Part A or Part B stay can even vary from one day to the next, so be sure you confirm the status with the facility.

3. Set Up a Contract

In order to be paid for the expenses that your physician incurs during technical components of services he renders, he may need a contract with the SNF.

"The technical component of a service is considered a diagnostic test that is subject to consolidated billing and must be billed by the SNF," explains Smith. "Therefore, an outside entity that furnishes the technical component of a test would have to look to the SNF for payment of the service. It is in the best interest of the outside entity providing the technical component to meet face-to-face with SNF administrators to review technical charges and establish a direct contract or agreement for payment of the technical services that the SNF will be reimbursed for as part of the consolidated reimbursement."

The contract should also list your billing information and include a disclaimer stating that you expect payment for services rendered regardless of the nursing facility's reimbursement status with the Medicare carrier. Provide an executed copy of the contract to the facility, and keep one for your records.

Protect yourself: Have an attorney review any agreement or contract you plan to use before you obtain the signatures to ensure the contract is in fact legal and binding. Make sure that attorney is competent in Stark law compliance. While you can start with a sample contract, you should consult an attorney before presenting it to the nursing facility.

Don't miss: What if your practice doesn't deal often or ever with nursing facility patients? You should still have a contract just in case. You never know when one of your patients will be admitted for a Part A stay, and unless the facility has a doctor on staff for temporary transfer of care, your physician will be obligated to go and care for the patient.

Resource: You can visit www.cms.gov/snfpps/08_bestpractices.asp for sample contracts direct from CMS.